

Federal Reserve Bank of Dallas

C O T T O N

The spot cotton market rose more than 50 points early this week due to the holding movement by cotton farmers and to the hope that support prices for cotton will be higher next year. Representatives of the cotton producers have requested a higher support rate in 1952 but the Department of Agriculture has not indicated much enthusiasm for this proposal. On Tuesday, October 16 Middling 15/16-inch cotton in the 10 markets averaged 37.00 cents per pound compared with last week's close of 36.42. The comparable price on the Dallas market on Tuesday was 36.80 cents.

Reported sales in the 10 spot markets have picked up in the past 2 weeks, as farmers in some sections began selling more freely than in previous weeks but they are still holding more cotton than usual. The CCC reported only 370,000 bales had entered the loan as of October 4, as against more than 5,000,000 bales ginned.

Cotton harvest continues active under favorable conditions in the later producing areas of the District, except in the Northern High Plains of Texas where snapping and pulling have just gotten started. The tempo is increasing in Southern High Plains and Low Rolling Plains counties where possibly one-fifth of the crop is gathered, and in the Cross Timbers, with about one-third harvested, according to BAE estimates. Northern Black Lands and northeastern counties along the Red River are near the two-thirds mark with harvest.

Wagon lot prices for cottonseed to producers in Texas ranged last week from \$70 to \$80 per ton at the gin, and averaged \$73 per ton compared with \$71.30 per ton the previous week, \$90.40 per ton a year earlier and \$38.30 per ton 2 years ago.

R I C E

Rough and milled rice advanced 25 to 50 cents per cwt. in Texas and Louisiana this week despite prospects for a record crop, according to PMA reports. Good domestic and export demand and the holding tendency of farmers, who put larger amounts of rice into government loan, were strengthening factors.

In Houston good milling quality No. 2 Patna sold at \$5.55 to \$5.80 per cwt., Blue Bonnet at \$4.77 to \$5.18, and Magnolia and Zenith at \$4.87.

The Texas rice crop is estimated at 12,128,000 bags, up 600,000 bags as compared with 1950. The Louisiana crop estimate is placed at 11,858,000 bags, up 1,367,000 bags.

W H E A T

Wheat prices made sharp advances this week, influenced by reports of good prospects of increased export sales of U.S. grains; adverse crop and weather news from Argentina, Australia, and Canada; the heavy movement of new grains into the government loan; a marked pickup in domestic flour business; and unfavorable crop notes from the grain producing areas of North Africa and France.

On the Fort Worth market No. 1 hard wheat sold on Tuesday of this week at \$2.69-3/4 per bushel - up 6 cents from a week earlier and higher than at any time since the first of April. No. 1 hard wheat at Kansas City brought \$2.45-1/2 per bushel - up about 8 cents since the first of October.

Seeding of wheat in the important Wheat Belt of Texas, New Mexico, and Oklahoma is at a virtual standstill owing to the lack of sufficient moisture. Fields that are up to a good stand are making little growth and some crops are dying.

OTHER GRAINS

Prices of most other grains have responded to the advances in wheat prices during the past week. On Tuesday, October 16 No. 2 yellow corn sold on the Fort Worth market at \$2.05-1/4 - up 2-1/4 cents as compared with a week earlier; No. 2 white corn brought \$2.29-1/4 - up 1-1/2 cents. No. 2 white oats reached \$1.15 per bushel, the highest price reported since May.

No. 2 yellow milo (sorghum grain) sold on Tuesday at a top price of \$2.70 per cwt. - up 6 cents from a week earlier and 12 cents above a month ago.

LIVESTOCK

Livestock prices on the Fort Worth market have made few changes during the past week although the cattle market was slow on Tuesday, October 16 and prices were weak with some sales lower. Calf prices were uneven to 50 cents or more lower. Hog prices held steady.

Developments in the cattle feeding situation up to the first of the month indicated that the number of cattle to be fed this season may be as large or larger than last year, according to the BAE. Large feed grain supplies, together with a new corn crop that is the fifth largest on record, assures a high level of feeding this fall and winter, says the Bureau. The movement of feeder cattle into the Corn Belt since July 1 is the third largest on record, beginning with 1939.

The BAE reports further that somewhat more sheep and lambs are likely to be fed for the winter and spring market this season than the low number fed last season; however, the widespread demand for breeding stock will be an important factor in determining the number of lambs that will be fed. The wheat pasture areas of Kansas, Oklahoma, and Texas and the number of lambs on these pastures will be reduced. Feed supplies for nearly all other areas are ample. Demand for feeder lambs has been very strong with prices at record levels.

FARM EMPLOYMENT AND WAGE RATES

Farm employment in the southwest in late September was about 3 percent less than a year earlier despite a much larger cotton crop, according to a USDA report. There were more family workers employed than a year earlier but about 12 percent fewer hired workers.

Farm wage rates in Texas on October 1 were 10 percent above a year earlier. The average wage per day without board or room was \$5.80 compared with \$5.20 a year ago. The rate per hour without board or room was 67 cents vs. 61 cents last year.

MISCELLANEOUS

With the 1951 turkey crop estimated to be more than one-sixth larger than the previous record the USDA has announced a "standby" program under which it would purchase large-size turkeys if it became necessary to assist farmers in stabilizing the marketing of their crop. Purchases under the program would be limited to birds of a size larger than normally used for home consumption. No purchase prices have been announced.

Southwestern peanut growers received support prices last week for quota peanuts and crushing value prices for excess stock. Shelled Spanish No. 1 sold mostly from 19-1/4 to 19-1/2 cents per pound.

The BAE preliminary estimate of honey production in Texas during 1951 is placed at 10,944,000 pounds, or 31 percent below last year's record crop.